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MILK MARKET INFORMATION  
CHATTANOOGA TENNESSEE MARKETING AREA  
NOVEMBER 1960

Volume 5

Number 4

Released Pursuant to \$1000.27 (j) and  
\$1000.85, USDA-AMS  
Federal Order No. 100, 3756 Ringgold Rd.  
Chattanooga 11, Tennessee

J. B. McCroskey, Market Administrator

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MARKET SUMMARY NOVEMBER 1960

The Chattanooga Order Minimum uniform producer price is \$4.85 per cwt. f.o.b. pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.

During November 76.8% of the total producer milk was priced in Class I at \$5.30 per cwt. with a butterfat differential of 7.9 cents and 23.2% was priced in Class II at \$3.55 per cwt. with a butterfat differential of 7.1 cents. The percent of producer skim and butterfat priced in Class I was 77.4% and 62.9% respectively.

The daily average delivery of producer milk during November decreased 0.9% compared with October and increased 11.2% compared with November 1959. The daily average use of Class I milk increased 0.04% compared with October and decreased 1.0% compared with November 1959.

Handlers received a daily average of 456,802 lbs. from 699 producers as compared with 410,745 lbs. from 716 producers during November 1959. Production per farm has increased 80 lbs. per day over November of last year. (See Schedule 3, page 4) The 617 producers using farm tanks, representing 88.3% of total producers, delivered 417,483 lbs. daily or 91.4% of total producer milk.

MILK BASES FOR 1961

Producers are reminded that under the Order a new base is established each year. The daily base of each producer will be computed by the office of the Market Administrator by dividing the total pounds of milk received by all pool plants from such producer during the months of September through January by the number of days from the first day milk is received from such producer during said months to the last day of January, inclusive, but not less than 120 days. Under the Order, the base established by the producer is used in calculating the uniform prices to be paid for base and excess milk deliveries during the following months of March through July. Producers (particularly partnerships) are urged to see that their names are correctly listed with the handler receiving their milk. A BASE WILL NOT BE TRANSFERRED WITHOUT WRITTEN APPLICATION BEING RECEIVED BY THE MARKET ADMINISTRATOR. THE TRANSFER MUST BE SIGNED BY BASEHOLDER AND THE PERSON TO WHOM SUCH BASE IS BEING TRANSFERRED.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

|   | <u>Nov. '60</u> | <u>Oct. '60</u> | <u>Nov. '59</u> |
|---|-----------------|-----------------|-----------------|
| Number of Plants (Pool and Non-Pool)                | 18              | 18              | 19              |
| GROSS RECEIPTS (DAILY)                              |                 |                 |                 |
| Producer Milk - Cans                                | 39,319          | 56,160          | 90,343          |
| Producer Milk - Bulk Tank                           | <u>417,483</u>  | <u>404,643</u>  | <u>320,402</u>  |
| Total Producer Milk Pounds                          | 465,802         | 460,803         | 410,745         |
| % Nov. '60 compared with:                           | 100.0           | 99.1            | 111.2           |
| Other Source Milk Pounds                            | 10,912          | 8,579           | 10,112          |
| Other Order Milk Pounds                             | <u>5,636</u>    | <u>5,283</u>    | <u>8,816</u>    |
| <u>TOTAL RECEIPTS MILK POUNDS</u>                   | <u>473,350</u>  | <u>474,665</u>  | <u>429,673</u>  |
| % Nov. '60 compared with:                           | 100.0           | 99.7            | 110.2           |
| GROSS UTILIZATION (DAILY)                           |                 |                 |                 |
| Class I Milk Pounds:                                |                 |                 |                 |
| Fluid Milk  | 298,490         | 296,070         | 288,596         |
| Buttermilk  | 37,772          | 37,514          | 37,503          |
| Chocolate Milk                                      | 7,966           | 8,442           | 7,246           |
| Fluid Skim  | 9,752           | 9,394           | 10,139          |
| Cream Mixture ( $\frac{1}{2}$ & $\frac{1}{2}$ )     | 1,103           | 1,069           | 599             |
| Light Cream (x)                                     | 543             | 543             | 774             |
| Heavy Cream (xx)                                    | 622             | 539             | 664             |
| Sour Cream  | 253             | 229             | 230             |
| Bulk to Non-Handlers                                | 757             | 3,584           | 12,936          |
| Class I Shrinkage                                   | 1,499           | 934             | 2,824           |
| Inventory Reclassification                          | (1,091)         | (794)           | (252)           |
| Overstated Sales                                    | -               | (3)             | -               |
| Total Class I Milk                                  | <u>357,666</u>  | <u>357,521</u>  | <u>361,259</u>  |
| % Nov. '60 compared with:                           | 100.0           | 100.0           | 99.0            |
| Class II Milk Pounds (Used to Produce)              |                 |                 |                 |
| Butter  | 11,136          | 10,247          | 6,683           |
| Cottage Cheese                                      | 13,441          | 12,018          | 12,328          |
| Powdered and Condensed Milk                         | 34,009          | 54,223          | 17,196          |
| Ice Cream   | 17,610          | 26,143          | 13,535          |
| Inventory Variation                                 | (876)           | 4,455           | 7,965           |
| Other   | <u>40,364</u>   | <u>10,058</u>   | <u>10,707</u>   |
| Total Class II Milk                                 | <u>115,684</u>  | <u>117,144</u>  | <u>68,414</u>   |
| % Nov. '60 compared with:                           | 100.0           | 98.8            | 169.1           |
| <u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u> | <u>473,350</u>  | <u>474,665</u>  | <u>429,673</u>  |
| <br>  |                 |                 |                 |
| % Producer Milk of Gross Class I                    | 127.7           | 128.9           | 113.7           |
| % Producer Skim of Gross Class I Skim               | 126.6           | 127.9           | 112.8           |
| % Producer Butterfat of Gross Class I Butterfat     | 157.8           | 155.7           | 138.6           |
| % Producer Milk Priced in Class I                   | 76.8            | 76.5            | 85.1            |

NUMBER OF FARM PAYROLL ACCOUNTS

|       | 1959 |     | 1960 |     |     |     |     |     |     |     |     |     |     |
|-------|------|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|       | Nov  | Dec | Jan  | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov |
| Can   | 203  | 198 | 185  | 178 | 167 | 164 | 162 | 157 | 152 | 141 | 130 | 105 | 82  |
| Tank  | 513  | 515 | 528  | 526 | 534 | 538 | 535 | 538 | 538 | 559 | 577 | 597 | 617 |
| Total | 716  | 713 | 713  | 704 | 701 | 702 | 697 | 695 | 690 | 700 | 707 | 702 | 699 |
| New   | 2    | 3   | 5    | 1   | 0   | 3   | 0   | 2   | 3   | 17  | 21  | 6   | 4   |
| Quit  | 7    | 6   | 5    | 10  | 3   | 2   | 5   | 4   | 8   | 7   | 14  | 11  | 7   |

MILK SAMPLES TESTED - Composite 29 - Producer Fresh 5,841 - Finished Products 243.

This is an average of 8.4 samples per producer used to determine butterfat content. The other samples procured are used by various agencies to determine milk solids, water, bacteria, sediment, antibiotics, etc. Each time the milk is delivered, a sample is taken and used for one of the above tests.



## SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR NOVEMBER 1960

Based on 18 plant reports prior to audit

|  | Class<br>% | Milk<br>Pounds | Butterfat<br>Test-% | Cwt. Price<br>@ Test | Value        |
|--|------------|----------------|---------------------|----------------------|--------------|
| Gross Class I                                      |            | 10,729,983     | 3.568               |                      |              |
| Less Other Source                                  |            | 210,436        | 1.262               |                      |              |
| Producer Milk Class I                              | 76.8%      | 10,519,547     | 3.614234            | \$4.995245           | \$525,477.15 |
| Gross Class II                                     |            | 3,470,509      | 6.639               |                      |              |
| Less Other Source                                  |            | 285,991        | 2.220               |                      |              |
| Producer Milk Class II                             | 23.2       | 3,184,518      | 7.036041            | 5.705589             | 181,695.51   |
| TOTAL PROD. (Cl. I + Cl. II)                       | 100.0      | 13,704,065     | 4.409385            |                      | 707,172.66   |
| Less Fractional Adjustment                         |            |                |                     |                      | .04          |
| Add Compensatory Payment Value                     |            | 68,304         |                     | 0.45                 | 307.37       |
| Add Overage Value                                  |            |                |                     |                      | -            |
| Add Inventory Reclassification Value               |            |                |                     |                      | 161.59       |
| Add $\frac{1}{2}$ Producer-Settlement Fund Reserve |            |                |                     |                      | 5,988.57     |
| TOTAL VALUE AT TEST                                |            | 13,704,065     | 4.409385            |                      | 713,630.15   |
| Less Test Over 4% @ 7.6¢ per point                 |            | 13,704,065     | .409385             | 0.311133             | 42,637.87    |
| TOTAL VALUE AT 4.0%                                |            | 13,704,065     | 4.0                 | 4.896301             | 670,992.28   |
| Less Producer-Settlement Fund Reserve              |            | 13,704,065     |                     | .046301              | 6,345.12     |
| UNIFORM PRICE f.o.b. POOL PLANT - 4%               |            | 13,704,065     | 4.0                 | \$4.85               | \$664,647.16 |

 NOVEMBER 1960 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)  
 BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

| TEST | PRICE  | TEST | PRICE   | TEST | PRICE   | TEST | PRICE   | TEST | PRICE   |
|------|--------|------|---------|------|---------|------|---------|------|---------|
| 3.0% | \$4.09 | 3.6% | \$4.546 | 4.2% | \$5.002 | 4.8% | \$5.458 | 5.4% | \$5.914 |
| 3.05 | 4.128  | 3.65 | 4.584   | 4.25 | 5.04    | 4.85 | 5.496   | 5.45 | 5.952   |
| 3.1  | 4.166  | 3.7  | 4.622   | 4.3  | 5.078   | 4.9  | 5.534   | 5.5  | 5.99    |
| 3.15 | 4.204  | 3.75 | 4.66    | 4.35 | 5.116   | 4.95 | 5.572   | 5.55 | 6.028   |
| 3.2  | 4.242  | 3.8  | 4.698   | 4.4  | 5.154   | 5.0  | 5.61    | 5.6  | 6.066   |
| 3.25 | 4.28   | 3.85 | 4.736   | 4.45 | 5.192   | 5.05 | 5.648   | 5.65 | 6.104   |
| 3.3  | 4.318  | 3.9  | 4.774   | 4.5  | 5.23    | 5.1  | 5.686   | 5.7  | 6.142   |
| 3.35 | 4.356  | 3.95 | 4.812   | 4.55 | 5.268   | 5.15 | 5.724   | 5.75 | 6.18    |
| 3.4  | 4.394  | 4.0  | 4.85    | 4.6  | 5.306   | 5.2  | 5.762   | 5.8  | 6.218   |
| 3.45 | 4.432  | 4.05 | 4.888   | 4.65 | 5.344   | 5.25 | 5.80    | 5.85 | 6.256   |
| 3.5  | 4.47   | 4.1  | 4.926   | 4.7  | 5.382   | 5.3  | 5.838   | 5.9  | 6.294   |
| 3.55 | 4.508  | 4.15 | 4.964   | 4.75 | 5.42    | 5.35 | 5.876   | 5.95 | 6.332   |

## DECEMBER 1960 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

|                               | Dec. '60 | Nov. '60 | Dec. '59 |
|-------------------------------|----------|----------|----------|
| Basic Formula (See page 4)    | \$3.78   | \$3.69   | \$3.67   |
| Plus Class I Differential     | 1.75     | 1.75     | 1.75     |
| Supply-Demand Adjustment      | (0.24)   | (0.14)   | 0.06     |
| Class I Price, 4.0% Butterfat | \$5.29   | \$5.30   | \$5.48   |
| Per \$ 1000.51 (a)            |          |          |          |

Supply-Demand Comparison: 1st and 2nd preceding months: October and November

Supply: Lbs. Producer Milk (Oct. 14,284,897 and Nov. 13,704,065) 27,988,962

Demand: Lbs. Net Class I Milk (Oct. 10,967,112 and Nov. 10,618,688) 21,585,800

Utilization Percentage: Producer milk divided by Class I 130

Standard Utilization Percentage: Range 114-118 118

Net Deviation Percentage: Utilization minus Standard Utilization plus 12

Supply-Demand Adjustment: 2 cents x 12 percentage points minus \$0.24

Since the supply in relation to the demand is more than the desired standard, the price is decreased 24 cents per hundredweight (2 cents x 12 percentage points).

## SUMMARY OF CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

| Month    | PRODUCER UNIFORM PRICES <sup>1/</sup> |        |        |         | HANDLER CLASS PRICES <sup>1/</sup> |         |          |         |
|----------|---------------------------------------|--------|--------|---------|------------------------------------|---------|----------|---------|
|          | Per Hundredweight                     |        |        |         | Class I                            |         | Class II |         |
|          | Uniform                               | Base   | Excess | Bf.Dif. | Cwt.                               | Bf.Dif. | Cwt.     | Bf.Dif. |
| Nov. '59 | \$5.08                                | -      | -      | 7.8¢    | \$5.36                             | 8.1¢    | \$3.67   | 7.4¢    |
| Dec.     | 5.12                                  | -      | -      | 8.0     | 5.48                               | 8.3     | 3.57     | 7.1     |
| Jan. '60 | 4.96                                  | -      | -      | 7.6     | 5.34                               | 8.0     | 3.38     | 6.7     |
| Feb.     | 4.96                                  | -      | -      | 7.2     | 5.26                               | 7.5     | 3.21     | 6.7     |
| Mar.     | 5.07 <sup>2/</sup>                    | \$5.18 | \$3.15 | 7.4     | 5.25                               | 7.5     | 3.19     | 6.7     |
| Apr.     | 4.93 <sup>2/</sup>                    | 5.18   | 3.05   | 7.2     | 5.40                               | 7.5     | 3.09     | 6.7     |
| May      | 4.73 <sup>2/</sup>                    | 4.96   | 3.02   | 7.2     | 5.34                               | 7.5     | 3.06     | 6.7     |
| June     | 4.83 <sup>2/</sup>                    | 4.98   | 3.02   | 7.2     | 5.23                               | 7.5     | 3.06     | 6.7     |
| July     | 4.84 <sup>2/</sup>                    | 5.03   | 3.02   | 7.2     | 5.25                               | 7.5     | 3.06     | 6.7     |
| Aug.     | 4.83                                  | -      | -      | 7.4     | 5.26                               | 7.5     | 3.09     | 6.8     |
| Sept.    | 4.84                                  | -      | -      | 7.6     | 5.14                               | 7.7     | 3.50     | 7.0     |
| Oct.     | 4.74                                  | -      | -      | 7.6     | 5.19                               | 8.0     | 3.52     | 7.0     |
| Nov.     | 4.85                                  | -      | -      | 7.6     | 5.30                               | 7.9     | 3.55     | 7.1     |
| Dec.     | -                                     | -      | -      | -       | 5.29                               | 8.0     | -        | -       |

## SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

| Month    | AVERAGE QUOTATIONS |                    |                      |                 | ALTERNATIVE FORMULAS<br>(\$-cwt-4%) |        |        |                      | Highest<br>or Basic<br>Formula<br>\$-cwt-4% |
|----------|--------------------|--------------------|----------------------|-----------------|-------------------------------------|--------|--------|----------------------|---|
|          | Mid-West<br>Cond.  | Chi. 92°<br>Butter | Chi. Area<br>Powders | Wisc.<br>Cheese | Mid-West<br>Cond.                   | Butter | Butter | 4 Tenn.<br>Milk Mfg. |   |
|          | \$-cwt-3.5%        | ¢ Lb.              | ¢ Lb.                | ¢ Lb.           | Cond.                               | Cheese | Powder | Milk Mfg.            |   |
| Nov. '59 | 3.146              | 63.930             | 13.025               | 33.688          | 3.54                                | 3.45   | 3.67   | 3.18                 | 3.67  |
| Dec.     | 3.154              | 61.870             | 13.190               | 34.750          | 3.55                                | 3.38   | 3.57   | 3.20                 | 3.57  |
| Jan. '60 | 3.128              | 57.962             | 13.250               | 34.750          | 3.51                                | 3.20   | 3.38   | 3.21                 | 3.51  |
| Feb.     | 3.119              | 57.976             | 13.205               | 34.750          | 3.48                                | 3.20   | 3.38   | 3.21                 | 3.48  |
| Mar.     | 3.095              | 57.970             | 13.070               | 34.750          | 3.47                                | 3.20   | 3.38   | 3.19                 | 3.47  |
| Apr.     | 3.032              | 57.974             | 12.975               | 32.350          | 3.39                                | 3.16   | 3.35   | 3.09                 | 3.39  |
| May      | 2.998              | 57.944             | 12.800               | 32.000          | 3.36                                | 3.15   | 3.34   | 3.06                 | 3.36  |
| June     | 3.000              | 57.974             | 12.755               | 32.000          | 3.36                                | 3.15   | 3.35   | 3.06                 | 3.36  |
| July     | 3.014              | 57.988             | 12.710               | 32.000          | 3.37                                | 3.16   | 3.35   | 3.06                 | 3.37  |
| Aug.     | 3.076              | 59.041             | 12.720               | 33.062          | 3.45                                | 3.22   | 3.40   | 3.09                 | 3.45  |
| Sept.    | 3.202              | 61.280             | 12.780               | 36.600          | 3.58                                | 3.38   | 3.50   | 3.23                 | 3.58  |
| Oct.     | 3.311              | 60.773             | 13.085               | 37.750          | 3.69                                | 3.38   | 3.52   | 3.25                 | 3.69  |
| Nov.     | 3.402              | 61.470             | 13.150               | 37.750          | 3.78                                | 3.41   | 3.55   | 3.25                 | 3.78  |

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

| Month    | GROSS MILK POUNDS <sup>3/</sup> |         |         |         |         | Number     |              | Deliveries Per |      |        | Prod. |
|----------|---------------------------------|---------|---------|---------|---------|------------|--------------|----------------|------|--------|-------|
|          | Gross                           | Prod.   | Prod.   | Base    | Gross   | of         | Farm--Pounds |                |      | Milk   |       |
|          | Cl. I                           | Cl. I   | Repts.  | Repts.  | Repts.  | Hdlr.Prod. | Prod.        | Base           | Exc. | Test % |       |
| Nov. '59 | 361,259                         | 349,558 | 410,745 | -       | 429,673 | 19 716     | 574          | -              | -    | 4.46   |       |
| Dec.     | 353,852                         | 349,128 | 409,090 | -       | 423,765 | 19 713     | 574          | -              | -    | 4.45   |       |
| Jan. '60 | 356,801                         | 352,832 | 418,023 | -       | 428,334 | 19 713     | 586          | -              | -    | 4.41   |       |
| Feb.     | 365,338                         | 358,744 | 411,790 | -       | 428,440 | 19 704     | 585          | -              | -    | 4.39   |       |
| Mar.     | 364,784                         | 360,301 | 388,659 | 369,056 | 412,314 | 19 701     | 554          | 526            | 28   | 4.43   |       |
| Apr.     | 364,048                         | 359,098 | 443,554 | 393,065 | 457,996 | 19 702     | 632          | 560            | 72   | 4.19   |       |
| May      | 336,344                         | 331,632 | 444,101 | 390,950 | 461,097 | 19 697     | 637          | 561            | 76   | 4.16   |       |
| June     | 327,515                         | 322,519 | 390,059 | 360,248 | 406,662 | 19 695     | 561          | 518            | 43   | 4.11   |       |
| July     | 326,948                         | 322,517 | 391,607 | 354,529 | 408,773 | 19 690     | 568          | 514            | 54   | 4.06   |       |
| Aug.     | 336,177                         | 331,283 | 406,516 | -       | 425,003 | 19 700     | 581          | -              | -    | 4.07   |       |
| Sept.    | 386,280                         | 381,037 | 453,783 | -       | 464,957 | 18 707     | 642          | -              | -    | 4.12   |       |
| Oct.     | 357,521                         | 352,291 | 460,803 | -       | 474,665 | 18 702     | 656          | -              | -    | 4.32   |       |
| Nov.     | 357,666                         | 350,651 | 456,802 | -       | 473,350 | 18 699     | 654          | -              | -    | 4.41   |       |

<sup>1/</sup> Excludes Premiums<sup>2/</sup> For statistics only<sup>3/</sup> Other Source is Gross minus Producer; Class II is Receipts minus Class I;

Excess is Producer minus Base